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Chief, Industrial Division, OHR

3 March 1959

Chief, Manufacturing Sectors Branch, D/I

Monthly Report for February 1959.

1. Status of Branch Projects:

30.2843 -- Capital Investment in the Producer's Equipment Industry of Communist China - It is expected that this project will be resubmitted to the Division by the end of the month. The plant listings which is being submitted as a separate research aid has been coordinated with the other interested branches and will be submitted to the Division within the next few days.

34.894 -- The Determination of Cost and Price in Soviet Machine Building - In Division.

32.488 -- Industrial Investment Policy in East Germany - I have, in close to final form, about two-thirds of this project and do not anticipate any serious problems in getting the project to the Division in good shape.

34.1930 -- Problems in Soviet Machine Building - This project has been returned to the analyst for some reorganization of material and additional analysis that was lacking in the first draft.

30.1535 -- Investment in Light Industry in Communist China - All the research on this project has been completed although there will be some problems in getting the material into final shape.

25X1A9a [redacted] has been on the NIE for the last few weeks, but I am the major bottleneck at this time.

2. Status of Support Projects:

30.1830 -- NIE I-3, East Germany -- Past the deadline, but now complete except for making revisions resulting from the review process. It has been a long tiring assignment for Riddle, and the hard working typists. [redacted] has proved to be especially helpful in taking some of the load off of [redacted] and other branch analysts have pitched in to solve some particular "crisis" or bottleneck. I feel that the quality of this NIE is high and that this quality in very large measure reflects the careful review, research and editing that [redacted] has given all of the individual contributions.

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SUBJECT: Monthly Report for February 1959.

30.1826 -- NIS 26 - USSR - Section 6A - We are further along with this project than at a comparable period in the East German schedule. With the East German NIS and the China NIS completed, the typing problem should become manageable especially as the typing skills increase. It is hoped that this one proves slightly less hectic.

10.1803 -- Communist China through 1963 - This contribution will be forwarded to A/F within the next few days, a few tables still need to be typed and Frost is receiving the final electronic estimates today. This contribution has been typed on an overtime basis because of our NIS pressures. We have kept A/F fully aware of its status and they had indicated their understanding and cooperation.

3. Changes in Estimates: None

4. Relationships with Other Components:

Heavy Press Exchange -- The Air Force through the offices of Mr. Lowry of Lowry-Hydropress have proposed to the USSR an heavy press exchange. An US itinerary has been suggested and the Soviets have been asked to respond with an equivalent itinerary. The proposal makes clear to the Soviets that "... final concurrence to your visit will depend, . . . , on the number and plants which you would suggest they (the US delegation) should see." The EIC subcommittee on Industrial Machinery will review the Soviet reply when received and make appropriate recommendations to the Ad Hoc Committee on Exchanges.

At the request of Deputy Chief, Economic Research, the Chief of I/IE reviewed together with personnel from I/IE, A/E, N/FP, and S/TR, various drafts of a study conducted by DE/P of Soviet occupation practices in Austria during the period 1946-53. It was found that they were only of peripheral interest, the work being too exclusively oriented toward conditions in Austria.

5. Future Plans:

In view of the frequent and recurring requests for comparisons of US-USSR light industrial production, I/IE intends to prepare a short report on the subject. Included will be explanations of reporting classifications, and discussion of qualifications that complicate unit to unit comparisons.

6. Other Plans:

Program planning for FY 1960 was completed and submitted to the Division for review.